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Participatory Budgeting Practices in Public Organization Management

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Abstract:

Purpose: *The article analyses the implementation of participatory budgeting in public sector organisations (Polish municipalities), reflecting the social responsibility of municipalities as public organisations. |It focuses on alignment with best practices and the principles of social participation. The research evaluates organisational structures, citizen engagement, digitalisation, monitoring, and evaluation processes.*
Design/Methodology/Approach: *The study employs a quantitative research design using the CAWI (Computer-Assisted Web Interviewing) method. Data was collected from 320 municipalities, achieving a response rate of 47.33% (142 administrative units). Respondents were municipal officials responsible for participatory budgeting coordination.*
Findings: *The research identifies significant professionalisation efforts, including the establishment of specialised teams (78.57%), dedicated organisational units (64.04%), and transparent team selection (90.7%). Despite these advances, challenges persist, such as the absence of dedicated units in 22.47% of cases and limited citizen representation in teams (25.76%). Digitalisation is progressing, with 79.69% of municipalities utilising dedicated websites and 91.67% employing online voting. However, low adoption of mobile applications (8.33%) and inconsistent monitoring (47.37%) and evaluation practices (41.38%) highlight organisational and technological gaps. Only 43.10% of municipalities use evaluation outcomes to refine processes, limiting iterative improvements.*
Practical Implications: *The study emphasises the need for standardised practices, enhanced community engagement mechanisms, and improved digital tools to address identified gaps. Strengthening monitoring and evaluation frameworks is essential for increasing transparency and optimising participatory budgeting processes*
Originality/Value: *This research provides a comprehensive assessment of participatory budgeting in Polish municipalities, offering valuable insights into its strengths and weaknesses. It contributes to the discourse on improving participatory mechanisms and public governance.*

Keywords: *Management of public organisations, public management, participatory budgeting, citizen engagement, stakeholder management.*

JEL Codes: *H70, R50, 020.*

Paper Type: *Research article.*

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1. Introduction

Participatory budgets are essential tools for fostering citizen engagement in local decision-making, a principle central to modern democracies. This mechanism has gained increasing popularity in Poland and worldwide, yet its implementation encounters numerous challenges, including organisational and legal difficulties.

This article focuses on analysing the errors and weaknesses associated with the implementation of participatory budgets in Polish local government units. Particular attention is given to the stages of process preparation, community activation, and the monitoring and evaluation of projects.

2. Literature Review

The participatory process has become a pivotal element in the functioning of Polish local governments, enabling citizens to actively co-shape development policies and manage urban affairs (Ministry of Infrastructure and Development, 2015). This mechanism is grounded in the axioms of a democratic state system (Kalisiak-Mędelska, 2011) and has been institutionalised through normative acts, such as the Act on Municipal Self-Government, which mandates obligatory public consultations in specific cases and requires the implementation of participatory budgets in cities with county rights (Act of March 8, 1990 on municipal self-government (i.e. Dz. U. of 2023, item 40, as amended.).

A review of management and sociology literature reveals diverse interpretations of participation, commonly defined as collective involvement in the distribution of costs or benefits associated with project implementation (PWN, 2023). In broader terms, participation denotes citizen involvement in public management within decision-making structures open to co-governance (Institute of Public Affairs, 2014).

The academic discourse on participation is extensive. Hausner distinguishes between two approaches: a broad one, where participation serves as the foundation of civil society, and a narrow one, defining it as a partnership between local government and citizens for joint decision-making (Hausner, 1999).

The rise of participation correlates with the popularisation of the New Public Management (NPM) paradigm. Public management, providing theoretical and practical frameworks for NPM, is defined as an interdisciplinary scientific field analysing mechanisms for harmonising administrative actions to effectively achieve public interest (Kożuch, Kożuch, and Sułkowski, 2016).

Unlike the traditional Weberian model, NPM emphasises decentralisation, managerialism, and the adaptation of private sector methods in public administration, striving for maximum efficiency with minimal resource use

(Ćwiklicki, 2017). NPM implementation has resulted in greater cost-effectiveness, improved service quality, and a redefinition of citizens as clients of the administration (Sempiak, 2017).

The importance of participation in managing public sector organisations is also highlighted in the governance concept, defined by the OECD as a set of formal and informal mechanisms regulating decision-making processes and public actions while respecting constitutional values (OECD, 2015).

The European White Paper on Governance identifies five fundamental principles for implementing good governance: openness, participation, accountability, effectiveness, and coherence. These principles include: (1) **openness** – administrative actions should be transparent and comprehensible to citizens; (2) **participation** – communities and stakeholders must be involved in public policy processes; (3) **accountability** – clear delineation of competencies and adherence to the division of powers; (4) **effectiveness** – policies should align with subsidiarity and proportionality principles; and (5) **coherence** – alignment of international, national, and regional policies.

Social participation, an integral component of governance, strengthens trust between citizens and public institutions, enhances the legitimacy of decisions, and allows for diverse community needs to be considered in decision-making processes. Consequently, it becomes an essential element of sustainable democracy and effective public management. One form of social participation is participatory budgeting.

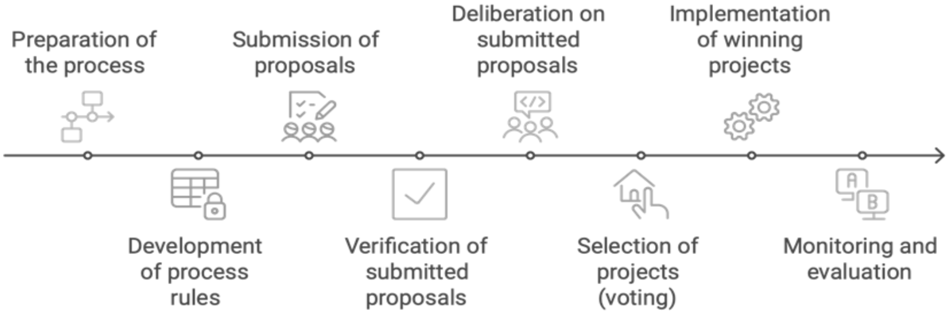
The Act on Municipal Self-Government defines participatory budgeting as municipal funds allocated to projects selected through public consultations (Dz. U. of 2020, item 713, as amended). This mechanism enables citizens to co-decide on the allocation of a portion of public funds, supporting deliberation, social integration, civic responsibility, and local identity.

Czaja-Hliniak describes participatory budgeting as a democratic mechanism allowing residents to influence budgetary expenditures (Czaja-Hliniak, 2019). The process involves identifying needs, submitting proposals, evaluating them, and voting. Participatory budgeting strengthens social capital, integrates communities, and adjusts administrative actions to citizens’ needs, fostering their engagement in local development.

As an instrument of social participation in public management, participatory budgeting is grounded in key principles that define its effectiveness and authenticity. According to the Laboratory for Research and Social Innovation"Stocznia" (Laboratory for Research and Social Innovation “Stocznia”, 2014), these principles include: (1) **binding results** – community decisions are mandatory for authorities; (2) **transparency** – full process transparency; (3) **inclusiveness** – equal access for all groups; (4) **deliberation** – open stakeholder debate; (5) **activation** – citizen engagement in decision-making; and (6) **sustainability** – orientation towards long-term development.

These principles not only form the foundation of the participatory budgeting process but also define its key stages. While each administrative unit tailors this mechanism to its specific internal conditions, such as population size, budget scale, or administrative scope, the procedural nature of participatory budgeting allows for the identification of its fundamental phases (Figure 1).

Figure 1. *Stages of participatory (civic) budgeting.*



Source: *Own compilation based on: (Laboratory for Research and Social Innovation "Stocznia", 2014.*

In the participatory budgeting process, the informational and educational campaign plays a pivotal role, accompanying all its stages to ensure transparency and address the diverse demands of residents. The preparatory stage involves assessing the feasibility of implementing participatory budgeting, establishing organisational frameworks, and forming a diverse stakeholder committee.

The committee's work should result in a legislative resolution providing legal foundations, with public consultations recommended to align regulations with residents' expectations. The next stage involves an informational and educational campaign aimed at familiarising the local community with the objectives, participation rules, and key stages of the process.

The intensity and quality of this campaign significantly influence the level of public engagement (Laboratory for Research and Social Innovation "Stocznia", 2014). The next stage involves project submission, a key element of participatory engagement. As recommended by the Laboratory for Research and Social Innovation "Shipyard," the right to propose initiatives should be reserved for residents. During this phase, the administrative unit should support proposal preparation by providing resources such as sample cost estimates (e.g., for benches or tree planting), land ownership maps, and information on budgetary thematic areas (Laboratory for Research and Social Innovation "Stocznia", 2014). This stage not only serves as an effective tool for participatory governance but also acts as an educational mechanism, enhancing residents' competencies in co-managing public resources.

3. Research Methodology

The objective of this study was to analyse and verify the implementation process of participatory budgets as a management tool in public organisations, with particular emphasis on compliance with established best practices for their implementation.

The study employed a quantitative approach and was conducted using a questionnaire survey through the CAWI (Computer-Assisted Web Interviewing) method. The survey questionnaire was structured into thematic blocks corresponding to the stages of participatory budgeting implementation. It comprised both closed-ended and multiple-choice questions, facilitating the collection of detailed and nuanced data. In total, the questionnaire included 47 questions.

The primary aim of its design was to identify best and poor practices in the execution of participatory budgets and to assess the degree of alignment between implemented practices and the principles of social participation. The research population consisted of municipalities that had implemented participatory budgeting as a component of public management processes.

The sample was selected using a non-probabilistic method, targeting administrative units meeting the criterion of participatory budgeting implementation. The respondents were representatives of municipal offices responsible for coordinating and overseeing participatory budget-related activities.

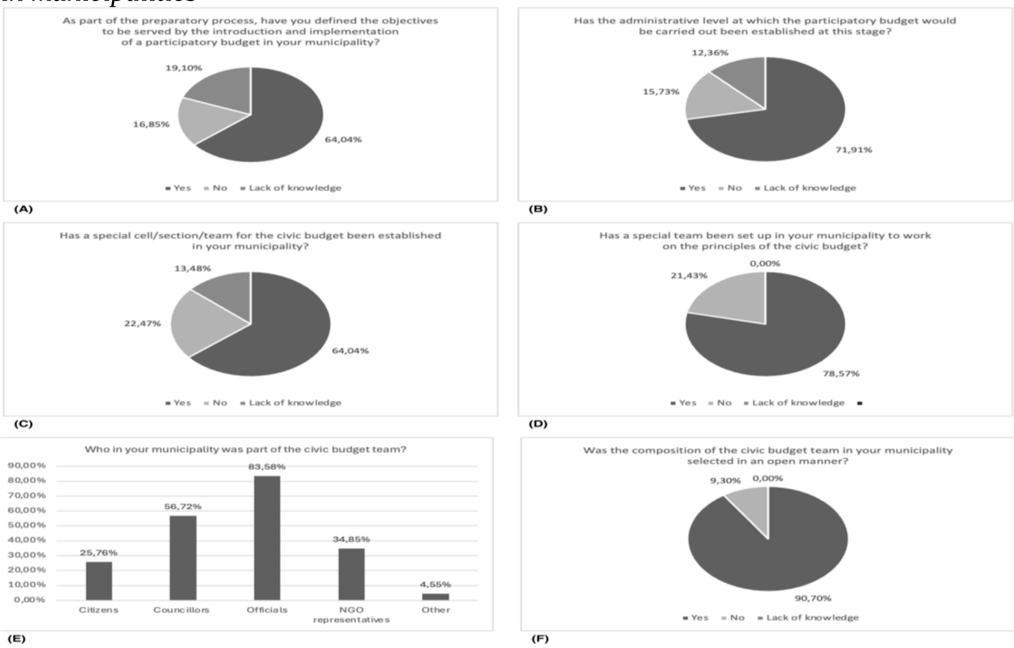
The research population comprised 320 municipalities, of which 142 administrative units responded to the questionnaire, representing 47.33% of the total sample included in the study.

4. Research Results and Discussion

The study results enable a comprehensive assessment of the implementation of participatory budgets in municipal management, encompassing key stages such as preparation, implementation, monitoring, evaluation, and community engagement. The data analysis reveals both positive practices and significant shortcomings that limit the effectiveness and inclusivity of this mechanism.

This chapter presents detailed research findings, focusing on process organisation, citizen activation, the use of digital technologies, and the quality of monitoring and evaluation, while identifying areas in need of improvement.

Figure 2. *Charts on the implementation process and the creation of citizen budgets in municipalities*



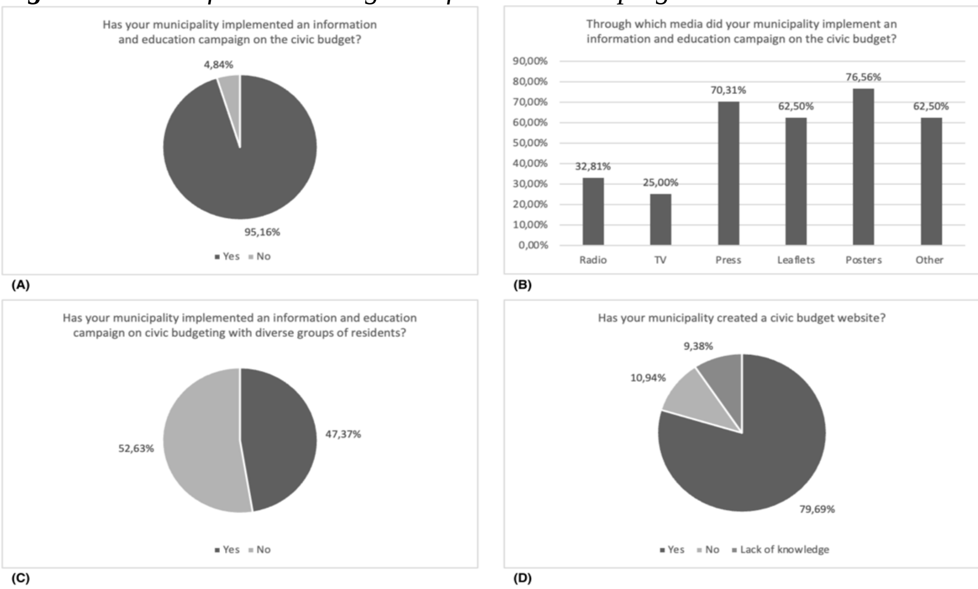
Source: *Own study.*

The findings show that while most Polish municipalities strive to professionalise participatory budgeting, significant gaps in social participation principles remain. A majority (78.57%) (Figure 2, D) have formed specialised teams for participatory budgeting, 64.04% (Figure 2, A) have established dedicated organisational units, and 90.7% (Figure 2, F) report transparent team selection. However, the absence of such units in 22.47% (C) of cases and a lack of transparency in 9.3% (Figure 2, F) raise concerns about stakeholder engagement and public trust.

Teams are predominantly composed of officials (83.58%) (Figure 2, E) and councillors (56.72%) (Figure 2, E), with limited representation of residents (25.76%) (Figure 2, E) and NGOs (34.85%) (Figure 2, E). This composition highlights a formalised process with restricted community influence, undermining inclusivity and emphasising the need for stronger community engagement mechanisms.

During the preparatory stage, 64.04% (Figure 2, A) of municipalities defined participatory budgeting objectives, and 71.91% (Figure 2, B) determined its administrative level. Yet, 16.85% (Figure 2, A) and 15.73% (Figure 2, B) did not take these steps, while knowledge gaps among respondents (19.10% (Figure 2, A) and 12.36% (Figure 2, B) suggest deficiencies in training and communication. Additionally, informational and educational campaigns often fail to fulfil their role, limiting resident participation.

Figure 3. *Charts for conducting an information campaign*



Source: *Own study.*

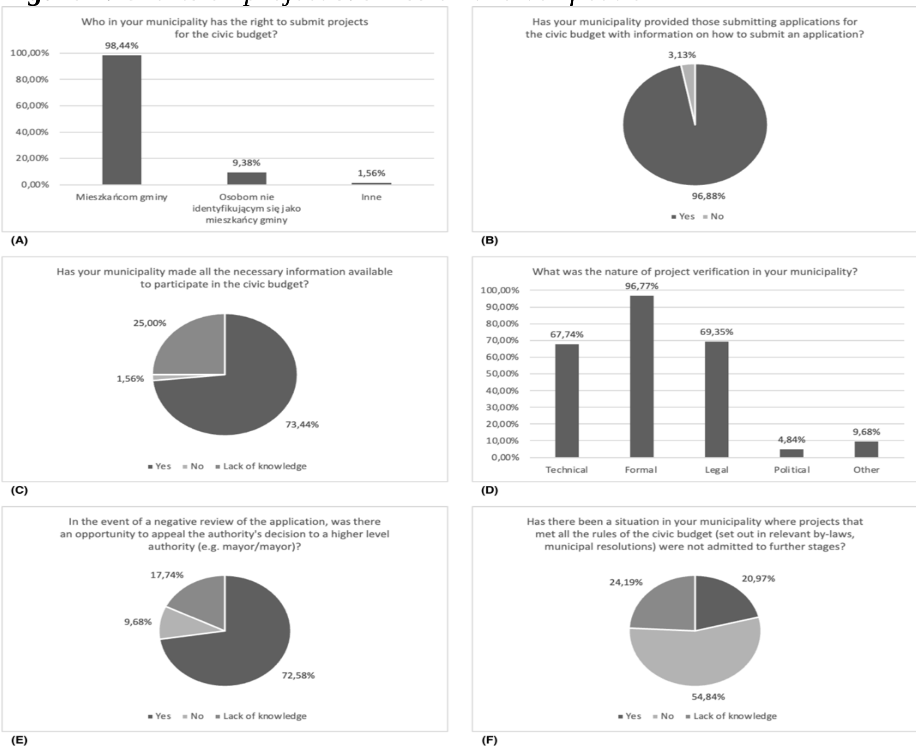
A significant majority of municipalities (95.16%) (Figure 3, A) conducted information and education campaigns related to participatory budgeting. This demonstrates a high level of awareness among local governments regarding the importance of engaging residents and providing adequate information. However, a small percentage (4.84%) (Figure 3, A) of municipalities did not undertake such efforts, indicating potential gaps in their communication strategies.

The analysis of communication channels reveals a dominance of traditional media such as press (76.56%) (Figure 3, B), leaflets, and posters (62.50% each) (Figure 3, B). In contrast, radio (32.81%) (Figure 3, B) and television (25.00%) (Figure 3, B) were less frequently used, reflecting an underutilisation of mass media that could potentially reach broader audiences. The use of "other" channels (62.50%) (Figure 3, B) suggests municipalities are employing alternative or innovative methods, which may include social media, local events, or other modern tools.

Despite the high implementation rate of campaigns, only 47.37% (Figure 3, C) of municipalities tailored their efforts to address diverse resident groups. This highlights a significant shortfall in inclusivity and equity within communication strategies. Over half of the municipalities (52.63%) (Figure 3, C) failed to target marginalised or underrepresented groups, potentially undermining the participatory ethos of civic budgeting.

The establishment of dedicated civic budget websites by 79.69% (Figure 3, D) of municipalities represents progress in digital communication and transparency. However, nearly 20% (Figure 3, D) of municipalities either did not create such websites (10.94%) (Figure 3, D) or respondents were unaware of their existence (9.38%) (Figure 3, D).

Figure 4. *Charts on project submission and verification*



Source: *Own study.*

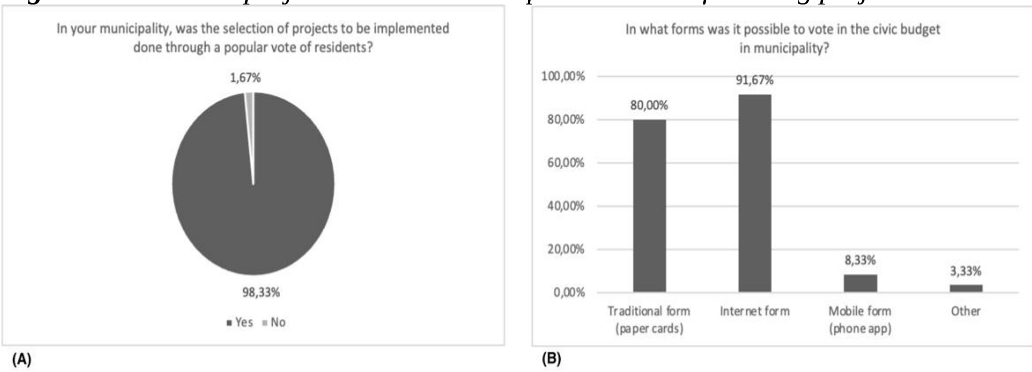
The majority of municipalities (98.44%) (Figure 4, A) limit project submission rights to residents, ensuring local focus but potentially excluding individuals with indirect ties, such as property owners or commuters. A significant proportion of municipalities (96.88%) (Figure 4, B) provide detailed guidance on project submission, while 73.44% (Figure 4, C) ensure public access to information, enhancing transparency.

However, 25% (Figure 4, C) lack this standard, and 1.56% (Figure 4, C) of respondents report communication gaps. Project verification varies widely: 96.77% (Figure 4, D) conduct technical evaluations, 67.74% (Figure 4, D) include substantive assessments, and 9.68% (Figure 4, D) use other methods, reflecting flexibility but risking inconsistent standards. Notably, 24.19% (Figure 4, F) exclude projects meeting formal requirements, raising concerns about procedural fairness, with 20.97% (Figure 4, F) of respondents unaware of such exclusions.

Appeals mechanisms are present in 72.58% (Figure 4, E) of municipalities, promoting accountability, but 17.74% (Figure 4, E) lack such provisions, and 9.68%

(Figure 4, E) of respondents are unaware of their availability, highlighting gaps in protecting residents' rights and ensuring process transparency.

Figure 5. *Charts on project selection and implementation of winning projects*



Source: *Own study.*

The results indicate that in 98.33% (Figure 5, A) of the surveyed municipalities, the selection of projects to be implemented under participatory budgeting was conducted through resident voting. The high prevalence of this mechanism demonstrates a strong foundation for democratic participatory procedures in Polish local governments. Only 1.67% (Figure 5, A) of municipalities did not conduct voting, which could be attributed to exceptional procedural circumstances or a specific model of participatory budgeting.

The analysis of available voting methods reveals a variety of approaches employed by municipalities, reflecting efforts to tailor the process to residents' needs: internet voting was the most frequently used tool, available in 91.67% (Figure 5, B) of municipalities.

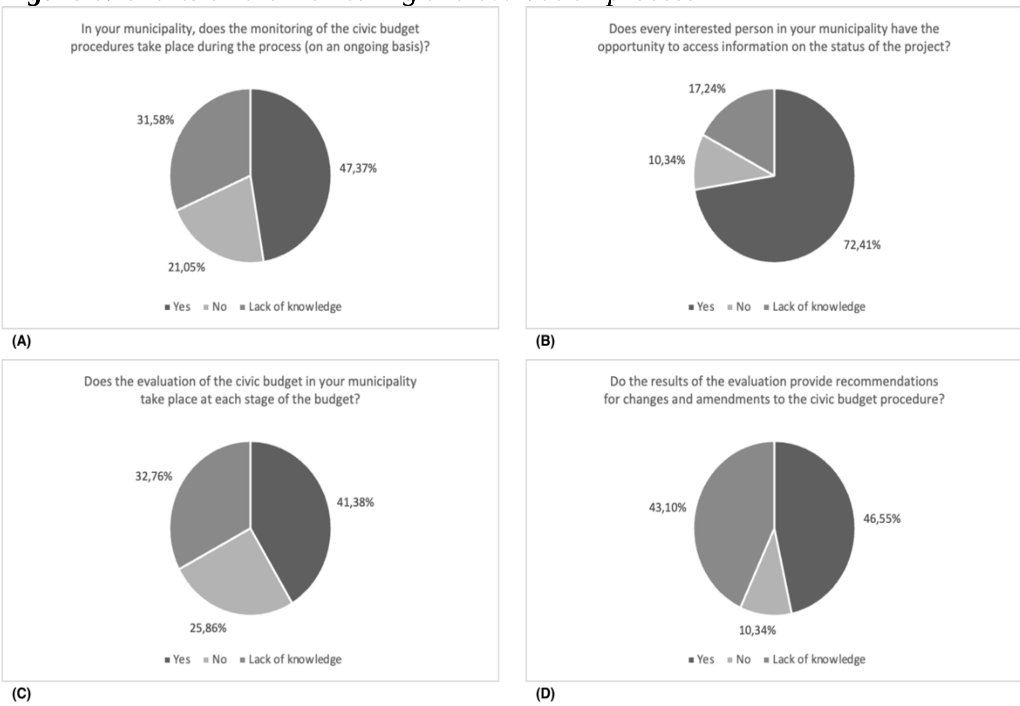
The high popularity of this method highlights the advanced digitalisation of local administration processes; traditional paper-based voting was used in 80% (Figure 5, B) of municipalities. Its relatively high utilisation underscores the importance of accommodating the needs of residents who prefer conventional voting methods, such as older adults; were employed in only 8.33% (Figure 5, B) of cases.

The results reveal that 47.37% (Figure 6, A) of municipalities conduct ongoing monitoring of participatory budgeting procedures during their implementation. This reflects a moderate level of commitment by local governments to ensure oversight and control of the process, thereby supporting transparency and effectiveness.

However, the lack of monitoring in 21.05% (Figure 6, A) of municipalities and the lack of awareness among 31.58% (Figure 6, A) of respondents highlight significant deficiencies in systematic oversight and stakeholder communication.

Providing access to information on the status of projects in 72.41% (Figure 6, B) of municipalities demonstrates their commitment to enhancing transparency and engaging local communities in decision-making processes. However, 10.34% (Figure 6, B) of municipalities do not ensure this access, and 17.24% (Figure 6, B) of respondents were unaware of such practices, indicating a need for improved communication strategies.

Figure 6. *Charts on the monitoring and evaluation process*



Source: *Own study.*

Only 41.38% (Figure 6, C) of municipalities report conducting evaluations at each stage of the participatory budgeting process, indicating a relatively low level of institutionalisation of comprehensive assessment mechanisms. Moreover, 25.86% (Figure 6, C) of municipalities do not conduct such evaluations, potentially limiting their ability to implement process improvements. Alarmingly, 32.76% (Figure 6, C) of respondents lack knowledge about the existence of evaluation practices, emphasising the need for improved communication and clearer documentation of evaluation processes.

A mere 43.10% (Figure 6, D) of municipalities utilise evaluation results to formulate recommendations aimed at improving participatory budgeting procedures. Conversely, 46.55% (Figure 6, D) of municipalities do not implement such actions, suggesting an underutilisation of evaluations as a tool for process refinement. Furthermore, 10.34% (Figure 6, D) of respondents were unaware of whether such recommendations were being formulated, indicating gaps in the communication of evaluation outcomes within administrative processes.

Processes encompassing preparation, implementation, monitoring, evaluation, and community engagement highlight both positive practices and significant shortcomings that limit the efficiency and inclusivity of this participatory tool.

In the area of process organisation, most municipalities (78.57%) have established teams responsible for designing participatory budget procedures, indicating progress toward institutionalisation. Transparency is ensured in 90.7% of cases through the open selection of team members, fostering trust in the process.

However, the absence of dedicated teams in 22.47% of municipalities and insufficient transparency in 9.3% reveal organisational inconsistencies that may hinder the effective implementation of participatory budgeting. While project submission rights are broadly accessible to residents (98.44%), the low representation of residents in participatory teams (25.76%) limits genuine engagement. This issue is exacerbated by the lack of targeted informational initiatives in more than half of the municipalities (52.63%), which undermines the inclusivity of the process, particularly for marginalised or less engaged groups.

The findings also indicate that informational and educational campaigns are widely implemented (95.16%), reflecting municipalities' awareness of their importance in fostering community engagement. However, traditional communication methods, such as newspapers (76.56%) and leaflets (62.5%), dominate, pointing to insufficient use of modern technologies that could enhance the reach and effectiveness of these campaigns.

Dedicated participatory budget websites, available in 79.69% of municipalities, represent a significant step toward digitalisation. Yet, their absence in 10.94% of municipalities and limited awareness of their existence among respondents (9.38%) reveal gaps in digital communication. The low adoption of mobile applications (8.33%) further highlights untapped technological potential to improve accessibility and engagement, particularly among younger demographic groups.

The process of project selection through voting is nearly universal (98.33%), reflecting municipalities' commitment to participatory democracy. Online voting, used in 91.67% of cases, demonstrates significant advancements in digitalisation. However, the marginal use of mobile applications (8.33%) suggests a need for further technological development and better alignment of tools with residents' needs. These results indicate that while municipalities are adopting modern solutions, many remain underdeveloped, limiting their potential impact.

Monitoring and evaluation remain the least developed aspects of participatory budgeting. Regular monitoring is conducted in only 47.37% of municipalities, limiting oversight and problem identification. Systematic evaluation is implemented in just 41.38% of cases, while only 43.10% of municipalities use evaluation results to formulate recommendations, indicating limited utilisation of this tool for process optimisation. The absence of a consistent evaluation cycle further hinders the implementation of improvements based on conducted analyses.

The dynamics of digitalisation in participatory budgeting warrant closer examination. While the implementation of websites and online voting reflects significant technological advancement among municipalities, deficiencies in mobile applications and the absence of standardised digital communication tools limit the potential benefits. These shortcomings often stem from insufficient technical resources or a lack of awareness regarding the opportunities afforded by modern technologies.

5. Conclusion, Proposal, Recommendations

Participatory budgets in Polish municipalities exhibit a progressive degree of professionalisation; however, significant deficiencies persist in the areas of organisational structures, citizen engagement, digitalisation, monitoring, and evaluation. Key challenges include the absence of dedicated teams in some municipalities, limited inclusivity, and underutilisation of modern technologies such as mobile applications.

Monitoring and evaluation are inconsistently applied, with findings rarely translated into actionable recommendations for process improvement. To enhance the efficacy and transparency of participatory budgets, it is essential to standardise procedures, strengthen transparency, advance digital tools, increase citizen participation, and systematically integrate evaluation outcomes into process refinement. These measures will solidify participatory budgeting as an effective instrument of democratic public governance.

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